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agricultural situation

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COASTAL FISHING LIMITS SPUR TRADE WITH JAPAN



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The imposition of 200-mile coastal fishing limits by a growing number of countries may seem far removed from the day-to-day routine of a corn-hog operator deep in America's heartland.

On the contrary, he and other U.S. producers stand to see their markets broaden as a result of these developments—mainly because the Japanese will be forced to import more food and feed.

So far, over 50 countries have adopted the 200-mile limits, thereby restricting waters from which the Japanese have traditionally taken more than a third of their total fish catch.

This could bring some dramatic changes to Japan's food situation, given the size of the country's fishing industry and the importance of seafood in the Japanese diet. Japan's fishing industry is the world's largest, accounting for about 15 percent of the roughly 70 million tons caught worldwide in recent years.

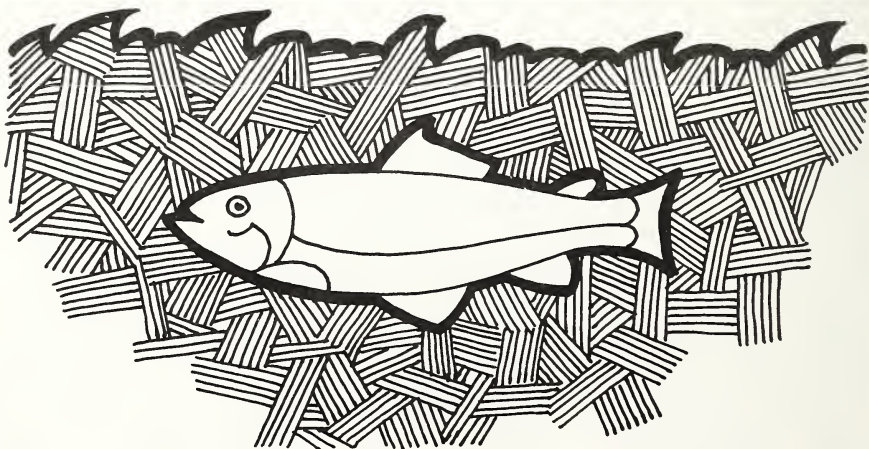
The use of fish and other seafood

as food alone amounts to 80 pounds per person—six times the U.S. level—and supplies the Japanese with half their daily animal protein intake.

Some observers say Japan can quickly adjust to the 200-mile zone limitations by more intensive fishing in their own waters and the open sea. But others see the nation becoming more dependent on imports of fish and other meat, as well as on grains and oilseeds to fuel livestock industry expansion and to compensate for reduced fishmeal production.

Either way, it will take the Japanese some time to boost their catch. So at least for the short term, the country is likely to turn to the United States—currently its chief source of farm goods—for more red meat, poultry, feed grains, and soybeans.

Already, Japanese imports reflect a shortage of fish products. In the feed sector, for example, dwindling fishmeal supplies forced Japan to buy 74,000 metric tons of foreign



fishmeal during January-June 1977, up from less than 1,000 during the same period a year earlier. Imports of soybean meal also shot up dramatically, with the United States supplying most of the increase.

Meantime, Japan has responded to the 200-mile trend in a number of ways . . .

First, the Japanese have established their own 200-mile zone, and within that area, set limitations for other countries. Hardest hit may be the Soviet Union, whose catch will be reduced 30 percent.

Also, Japan plans to increase productivity within its coastal zone and has earmarked some \$755 million for projects that include setting up artificial fish habitats, increasing the number of fish farming centers, and enlarging salmon incubation facilities. By 1980 Japan expects to have 17 fish farming centers nurturing a number of different species of fish.

There's considerable speculation whether these projects will succeed,

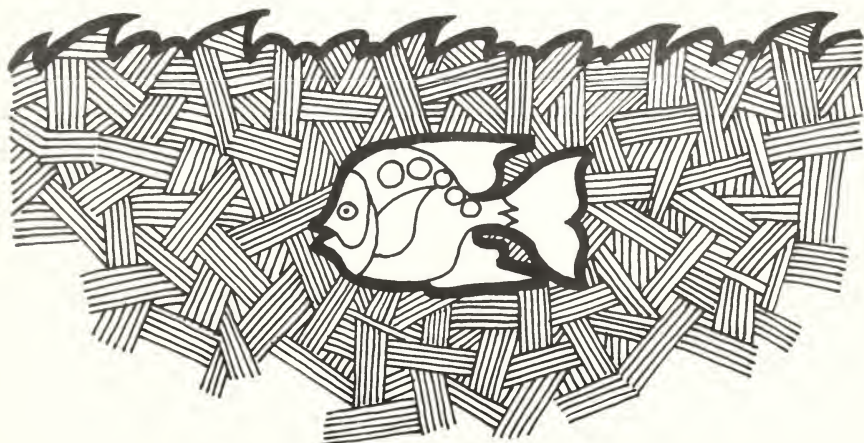
however, given Japan's limited sea resources and past experience with the effects of sewage and industrial waste on coastal fish culture.

Another response is to import more fish and fish products. A net exporter until the 1970's, Japan became a net importer of fish as the total catch leveled off at 10 million tons and demand continued growing. Despite tight supplies, Japan still restricts imports of five different categories of fish products and imposes a tariff quota on fishmeal imports.

Other measures include the promotion of lower grade fish for food, development of new fisheries off the Argentine and South African coasts, and investments in overseas fishing and processing ventures.

Meantime, short supplies and escalating costs may cause consumers to switch from fish to other protein sources. This could spell a shift to either poultry or pork, as well as some substitution of beef for higher grades of fish such as tuna.

With demand for meat likely to



climb, Japan can either import more meat products or expand domestic livestock production, or both.

In either case, U.S. producers stand to benefit.

Currently, Japan imports some 35,000 tons of poultry a year, with roughly 60 percent coming from American farms. The United States would probably maintain this share if the market opens further.

Pork imports vary from 150,000 to 200,000 tons a year, and the U.S. share generally expands as imports rise. Should Japan buy bigger volumes on a continuing basis, U.S. farmers could expect to fill 50 percent or more of the increase.

If Japan lifted its import quotas on beef, the United States could see its current 10-15 percent of the market grow considerably, since U.S. farms supply a bigger portion of the beef sold directly to consumers, versus the manufacturing beef supplied mainly by Oceania.

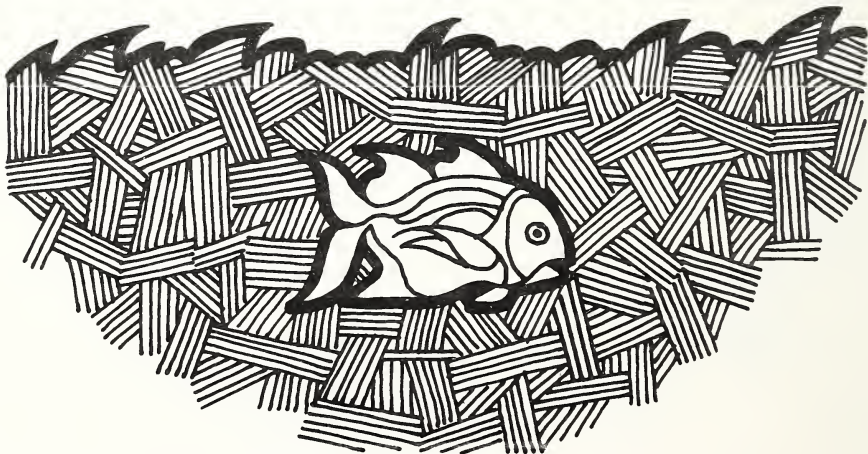
On the other hand, Japan is in a position to produce more livestock of its own, although environmental

concerns and the country's small land area would limit expansion. Currently, the Japanese produce just over a million tons of pork a year and 886,000 tons of poultry.

To support a growing livestock industry, Japan would have to import more grain, oilseeds, and other feed products. Some 60 percent of these commodities normally comes from the United States, which last year shipped \$2 billion in feed grains, soybeans, and soybean meal to Japan.

Tight fish supplies will also affect the future composition of hog and poultry rations, in which fishmeal has long served as a primary protein source. A recent study shows that a 50-percent reduction in the amount of fishmeal used in mixed feeds would require a 27-percent hike in the use of soybean meal.

That works out to about 500,000 additional tons of soybean meal, or similar amounts of high-protein feed, that Japan would have to get from other sources—most likely the United States.



A COMEBACK IN THE MIDEAST

After a 2-year slump, U.S. farm exports to the Mideast rebounded strongly in 1977.

USDA economists put sales at a record \$2 billion, roughly 45 percent over 1976. Increased shipments of cereals, vegetable oil, soybeans, cotton, and livestock products to Iran and Egypt accounted for most of the gain.

Mideast imports of American farm goods hit their previous peak in 1974 with shipments valued at \$1.65 billion. Analysts blame the 2 disappointing years that followed on stepped-up competition from other suppliers and reduced grain prices.

Currently, the Mideast is the leading outlet for U.S. wheat, flour, cottonseed oil, corn oil, tallow, and dozens of processed foods, including tomato products. It takes over half our commercial exports of rice and about a sixth of our wheat exports.

Economists see the total Mideast market for these and other agricultural imports growing at a fast pace over the next 5 years, possibly in the range of 10-15 percent a year. If the United States can maintain its present share of the market, the value of our farm shipments to this area could climb to \$4 billion by 1985—double the projected 1977 record.

Right now it appears certain that Egypt will become a billion-dollar market by 1980. Iran, as well, could cross the \$1 billion mark if farm products become harder to get from leading suppliers in Asia.

Rising Mideast petroleum revenues, efforts to modernize food delivery systems, and trends in population and food production all support this optimistic forecast . . .

Oil exports during 1977 brought in an estimated \$110 billion—roughly 10 times the amount spent on food purchases.

Programs to improve food marketing have only just begun, but already several ports have been upgraded, allowing workers to unload bigger volumes of farm goods in a shorter time.

Population growth stands at 2.5 percent a year, and by the end of the 1980's, there may be as many people in the Mideast as in the United States. About 190 million people now live in the Mideast and Turkey.

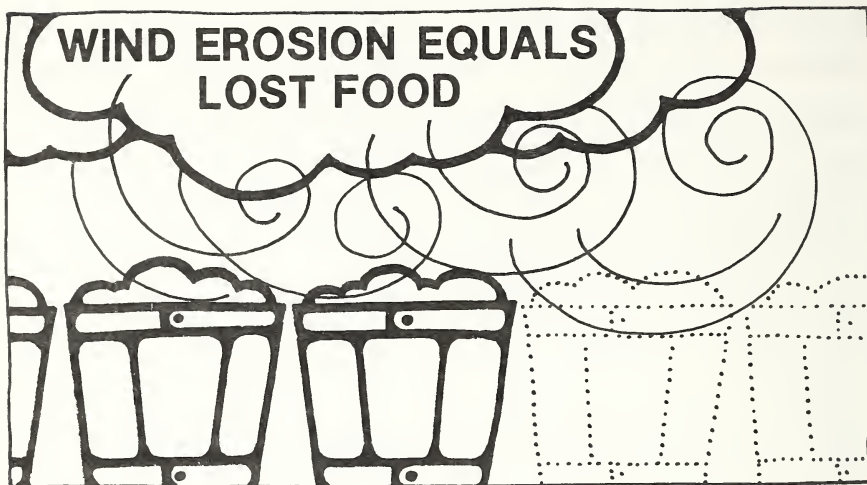
Prospects for increasing food production appear limited. Cultivated cropland in the Mideast has not risen significantly since 1972 and yields are already relatively high. Moreover, urbanization is swallowing up some of the best cropland in Egypt, Iran, and Lebanon.

RURAL PHONE LINES CARRY BIGGER CHARGE

Farmers paid more to use their telephones in 1977 than the year before. The charge for local service averaged \$9.62 per month during the past summer, up from \$9 in 1976. The average total monthly bill—including long distance calls, service charges, and extension phones—edged up 12 percent to \$21.58.

Missouri farmers paid less for local service than producers in any other State, about \$8 per month. Arizona producers topped the list with a \$15 average overall bill. Total monthly bills were lowest in Tennessee at \$16. Of all U.S. farms, 92 percent had telephones—the same as a year earlier.

Two States, Connecticut and Massachusetts, showed 99 percent telephone coverage while 74 percent of the New Mexico farms had phones. In 10 States, less than 90 percent of the farms had phones.



Try to imagine a total crop failure stretching out across 17 square miles.

That's the equivalent of the annual yield loss caused by wind erosion to wheat and grain sorghum growing on sandy soils in just $2\frac{1}{4}$ Oklahoma Panhandle counties.

The estimate, by agricultural engineer Dr. Leon Lyles, is based on the yield reduction per inch of topsoil blown off by the wind. Until now, it wasn't possible to measure the extent that wind erosion lowers crop production, because of the many climatic, soil, and management factors that together influence crop yields.

There's good reason to express wind erosion damage in terms of lost food production: It shows the Nation the seriousness of the problem and suggests that preventive measures may, in the long run, pay off.

To estimate how much wind erosion affects crop production, Dr. Lyles first computed potential soil loss, using a previously developed equation that takes into account factors such as the level of soil erodibility, unsheltered distance across a field in the path of prevailing winds, and vegetative cover.

Potential soil losses were then computed for eight groups of soils

for land in wheat at 20 locations throughout the Great Plains and land in sorghum at 13 separate sites.

Wind erosion near Dodge City, Kans., for example, may remove 1.11 inches of topsoil each year from the most susceptible soils in wheat and only 0.05 inch from the least erodible ones. Potential losses in the same area for grain sorghum range from 1.45 to 0.11 inches.

The engineer converted these and other data on crop yields and soil loss into the yield reduction (in bushels per acre) per inch of topsoil lost, as well as the percentage lost for each inch of topsoil carried off by winds.

Applying this to 1.2 million acres of cultivated sandy soils in southwest Kansas, Dr. Lyles estimated that each year, wind erosion cuts wheat yields by close to 2 bushels an acre on the most erodible soil group, and by 0.7 and 0.4 bushels on the second and third soil groups.

For the entire area, that works out to an annual loss of 339,000 bushels of wheat and 543,000 bushels of sorghum, assuming equal amounts of land in each crop.

Dr. Lyles' procedure will be put to use after more benchmark data on Great Plains' soils are obtained in controlled studies.

PRODUCTIVITY UP ONCE MORE

Total crop and livestock production reached an unprecedented high in 1977. In time, analysts will determine the amounts of labor, fertilizer, machinery, and other major inputs that went into this achievement. Meantime, here are some of the highlights from the previous record a year earlier. . .

Farmers overcame dry soils and high temperatures that stagnated yields by harvesting the most acres in 20 years to boost 1976 production 3 percent above the 1975 record and 23 percent over a decade ago.

Farm output reached record proportions in all regions except the Lake States, the Northern Plains, and the Delta States, where sharply higher production fell just shy of the region's 1972 record. Meantime, livestock production surged past 1975 in all regions except the Mountain States.

Harvested crop acreage in 1976 rose to 338 million, about 1 million more than the previous year. Helping bolster the increase was more land put to corn, cotton, rice, other spring wheat, dry edible beans, and potatoes. Soybean land registered the largest decline of any crop, dipping 4.3 million acres.

Cropland going for exports dropped 4 million acres to 96 million for the first decline since 1971. Nonetheless, exports continued to take 28 percent of total harvested acreage. Food grains, chiefly wheat, made up a third of all export acres while oil crops comprised another third, and feed grains a quarter.

Most sections of the country notched increases in cropland used for crops, planting 2 million acres more than in 1975 for a total of 370 million. Only the Southern Plains region registered a decrease.

Yields equaled the previous year's tally, but turned higher in the

Appalachian and Southern Plains regions and reached a new high in the Mountain region. However, production per acre dropped slightly in the Corn Belt, while shrinking to a 10-year low in the Lake States and a 20-year low in the Delta States.

The number of farm tractors and various other pieces of machinery, including cornpickers and hay balers, continued their long-term decline in 1976. As of January 1, 1977, tractors on farms totaled an estimated 4.4 million, down 30,000 from a year earlier. However, total horsepower of these tractors moved upward, and new units sold during 1976 averaged over 100 horsepower, vs. 55 in 1963.

Tractor sales slumped again in 1976, but not as badly as in the previous year. Sales of other farm machinery remained unchanged or slightly below 1975 levels.

Fertilizer use leaped 18 percent to a record 20.8 million tons, recovering from a 16-percent drop in 1975. Prices in mid-April 1976 ranged as much as 28 percent below a year earlier and helped restore fertilizer use to more normal levels.

Crop and livestock production took an estimated 5.1 billion hours of labor, down 3 percent from 1975. Decreases ranged from 2 percent for hay and forage to 10 percent for oil crops. Food and feed grains, however, claimed more time than the year before, and the large 1976 cotton crop required 22 percent more labor. Livestock production demanded 5 percent less time than in 1975.

Worker productivity rose a healthy 6 percent, boosting farm production per hour 36 percent over the 1970 mark.

Labor productivity rose in every region as it did in 1975. Most industrious were workers in the Northeast, the Appalachian region, and Southern Plains, with gains of 8 to 10 percent. The smallest increase was in the Northern Plains where the pace picked up by 2 percent.

FARMERS FACE HIGHER COSTS IN '78

Farmers who've grown accustomed to rising production costs won't be surprised in 1978.

Costs of producing major U.S. field crops, say USDA economists, are expected to average 6 percent more than in 1977. Feed grain producers, as a group, will encounter the heftiest increases.

Higher prices for fuel, machinery, and labor will drive up expenses the most. In contrast, fertilizer and chemical prices will probably change very little.

The costs of producing oats and flax, which will show the biggest percentage gains, reflect these varying prices. Both crops use small amounts of chemicals and fertilizer, but sizable shares of other inputs that will bear bigger price tags in 1978.

Below are the expected increases in per acre production costs from 1977 to 1978. The estimates include variable expenses, machinery ownership, and overhead costs, but exclude the costs of land and management . . .

<i>Crop</i>	<i>Percent</i>
Wheat	+6.1
Corn	+5.2
Sorghum	+7.5
Barley	+6.9
Oats	+8.9
Rice	+6.3
Cotton	+6.4
Soybeans	+2.4
Flax	+8.4
Peanuts	+3.1

Costs per bushel, of course, will depend on yields. End-of-season estimates by the Crop Reporting Board indicate that yields during 1977 ranged higher than in recent

years for all major crops except peanuts, barley, and rice.

With production costs expected to climb an average of 6 percent an acre, yields would have to grow by the same amount to stop a rise in costs per bushel. Given last season's relatively high yields, this is not likely to happen.

Economists projected costs per bushel (and other production units) for 1978 using recent trends as a basis for yield levels and allowing for some variation above and below the yield estimate.

Assuming, for example, that corn will yield 92 bushels an acre, plus or minus five bushels, or from 87 to 97 bushels an acre, farmers could pay from \$1.45 to \$1.62 to grow a bushel of corn, compared with roughly \$1.50 in 1977.

The charts on p.9 show projected unit costs for 10 major field crops. The shaded area represents the range in which costs are likely to fall based on assumed maximum and minimum yield levels.

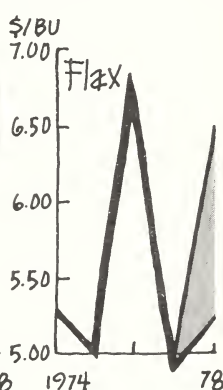
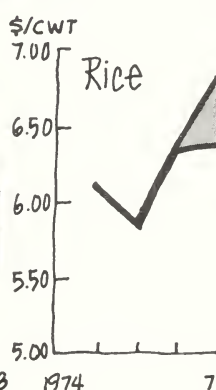
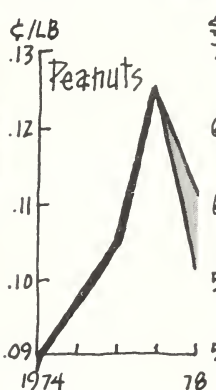
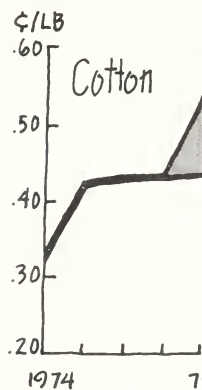
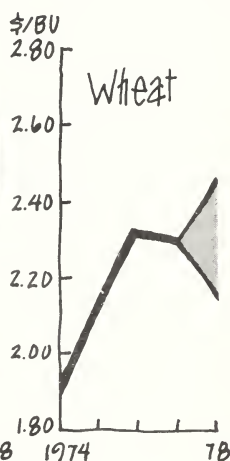
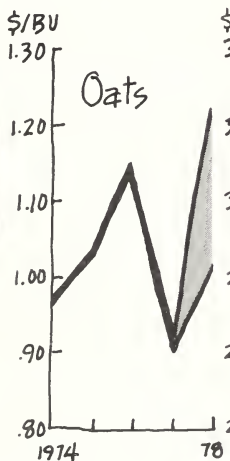
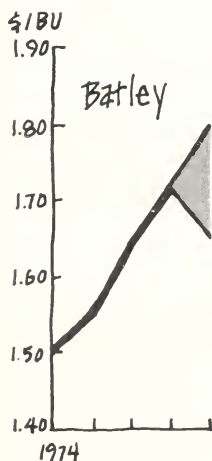
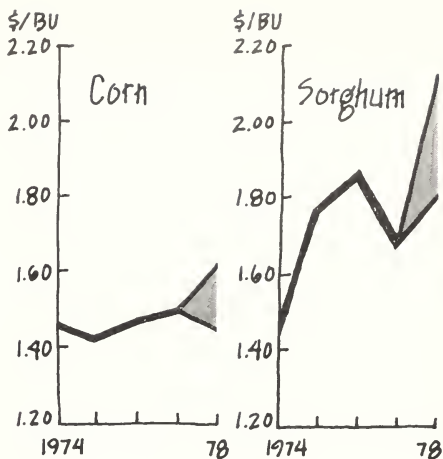
Wheat, barley, and soybean yields in 1978 are seen near 1977 levels. Since these crops will bear a higher cost per acre, costs per bushel will probably rise as well. For wheat and barley, however, costs could drop somewhat with higher-than-expected yields.

Per acre costs for corn and rice will also turn higher in 1978—by a projected 5 and 6 percent. However, a bushel of corn or a hundred pounds of rice may cost only 2-3 percent more to produce if bigger yields materialize.

The past crop season saw peanut yields drop way below average. If yields return to more normal levels in 1978, costs per pound could shrink by as much as a fifth.

Yields of cotton, sorghum, oats, and flax, which proved unusually good in 1977, could turn a little lower in 1978. Therefore, with stiffer per acre expenses, unit costs for these crops could advance by as much as 10 to 20 percent.

Production Costs for Major Crops (excludes land and management costs)



shaded area shows range of costs based on assumed maximum and minimum yields.

FARM NUMBERS STILL WANING

One of the most consistent features of modern agriculture has been the steady decline in U.S. farm numbers and land in farms.

USDA's Crop Reporting Board reported another drop in each category in 1977 and foresees more of the same for 1978.

The number of farms decreased 1 percent to 2.71 million in 1977; the trend is expected to continue in 1978 when a forecasted 2.68 million farms will supply U.S. agricultural needs and the farm export market.

Total land in farms dropped 3 million acres in 1977 to about 1.08 billion. Another 3 million-acre decline is estimated for 1978.

Although farm numbers and total acreage have declined every year over the past decade, the average size of farms has edged upward. Preliminary estimates indicate 400 acres per farm in 1978, compared with 363 10 years earlier. Back then, there were more than 3 million

farms spanning over 1.1 billion acres.

Forecasters expect Texas to have the most farms again in 1978. The Lone Star State should lead the way with 197,000, followed by Missouri finishing a distant second at 133,000. Rounding out the top States should be Iowa, 128,000, and Illinois and Kentucky with 117,000 farms each.

Texas is also expected to retain the most-acreage title at nearly 140 million acres. Its closest rival, Montana, should have about 62 million acres devoted to agriculture while Kansas (48.5 million) and Nebraska (48 million) look to edge out fifth-place New Mexico's 47.3 million acres.

Ranking one and two with the fewest farms are the largest and smallest States. Alaska is expected to count only 310 farms again in 1978 while Rhode Island will once more list 740.

A DECADE OF FARM LOSSES

Year	Farms	Land In Farms	Average Farm Size
	<i>Thousands</i>	<i>Thousand acres</i>	<i>Acres</i>
1967	3,162	1,123,456	355
1968	3,071	1,115,231	363
1969	3,000	1,107,811	369
1970	2,949	1,102,371	374
1971	2,902	1,096,863	378
1972	2,860	1,092,065	382
1973	2,823	1,087,923	385
1974	2,795	1,084,433	388
1975	2,767	1,081,448	391
1976	2,738	1,078,263	394
1977	2,706	1,075,003	397
1978 ¹	2,680	1,072,333	400

¹Preliminary.

PERSPECTIVE ON WINDBREAKS

Some things are just easier to count from a distance.

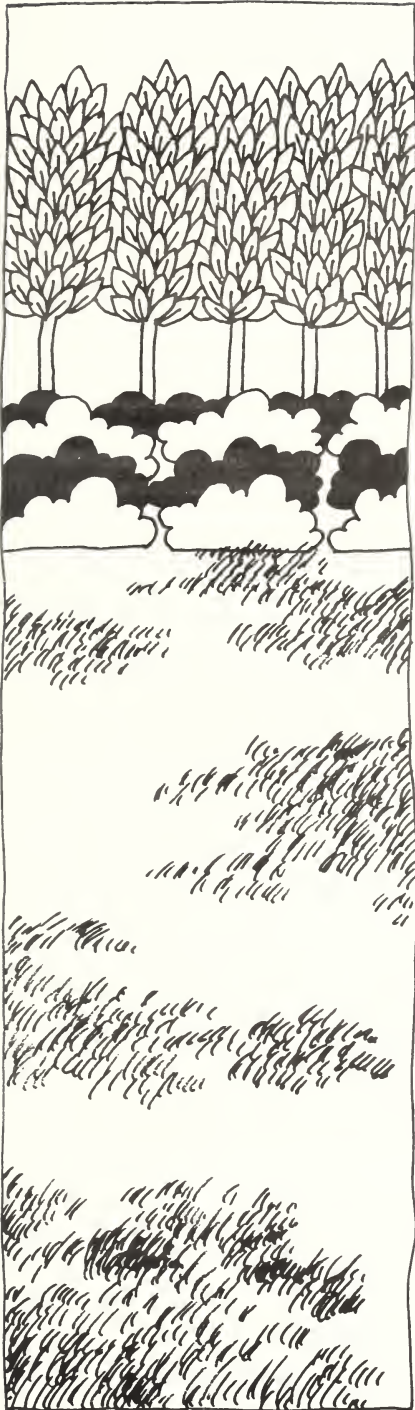
That's why USDA's Soil Conservation Service turned to aerial photography to inventory windbreak tree plantings in the Nation's five major windbreak States: Kansas, Nebraska, Oklahoma, and the Dakotas. The inventory, which got underway this past fall, was the first multi-State windbreak survey to gather information entirely by remote sensing.

Photo interpretation experts will locate, measure, and count rows of trees on 3,375 sections of land in the five States, which contain roughly three-fourths of all the Nation's windbreaks. The project is expected to cost less than one-third of what an "on the land" survey would run, as well as eliminate the arduous task of trudging through fields counting individual rows of trees.

The inventory came in response to heightened concern about windbreak removal in the Great Plains, where the barriers play a key role in preventing soil erosion. Earlier, a report by the General Accounting Office called for action to discourage tree removal and cited the need for up-to-date information on the number of windbreaks in the region and the extent to which they were being cleared from the land.

During a recent pilot study of nine counties within the survey area, remote sensing proved 95-percent accurate in locating and measuring windbreaks. The study showed that between 1970 and 1975, removals averaged less than 1 percent a year.

The current, expanded survey will tell researchers whether this rate is typical of tree removal throughout the five States or whether farmers are taking out windbreaks at an accelerated pace. Results for individual States will be published in October 1978.



Briefings

RECENT REPORTS BY USDA OF ECONOMIC, MARKETING, AND RESEARCH DEVELOPMENTS AFFECTING FARMERS.

COTTON RECORD LOOMS . . . A healthy 1977 U.S. cotton crop has contributed to an expected world production record of 64.8 million bales for the year ending July 31, 1978, 12% above the 1976/77 level and 1% more than the previous record. USDA's Foreign Agricultural Service cited excellent weather in most cotton-producing countries for the record output. However, stagnant demand may dim income prospects for producers. Earlier concern over low stock levels has given way to sluggish market problems that may keep consumption at year-earlier rates. Stocks in importing countries are fairly low, and some buildup is expected. But foreign exporters may take up most of the slack, leaving the U.S. holding nearly 27.5% of world stocks. U.S. exports are projected at 4.5 million bales, down from 4.8 million in 1976/77.

REPASTURING THE PLAINS . . . A lush growth of blue grama grass may return to the Great Plains. USDA scientists will work with Colorado State University to restore the grass that once flourished in the area. Blue grama gradually disappeared when homesteaders plowed the land for grain. Lack of water eventually forced the settlers to abandon their fields, and the weeds and other grasses that took over have defied later attempts to reintroduce grama grass. Because grama provides superior grazing for livestock, scientists will try to develop an improved strain that will take hold and spread. A perennial grass, blue grama thrives on little rainfall, and cures well for over-winter grazing.

SUGAR TO SPARE . . . World sugar production and stocks are expected to exceed demand in 1977/78. Forecasters say larger crops in Europe, the U.S.S.R., and South America may push global output to a record high near 91 million metric tons. With consumption seen at around 86 million metric tons, last year's stocks coupled with new supplies should top use by more than 30% when the current crop year ends in August. At around 6 million short tons, U.S. cane and beet sugar production for 1977/78 will fall 10% below the previous year. Because of measures to support domestic grower and processor returns, retail prices will likely reach 25¢ a pound, up from around 22¢ in 1977.

TOWARD SELF-SUFFICIENCY . . . Japan, the biggest market for U.S. farm goods, plans to substantially expand its own food output over the coming decade, thereby lessening dependence on foreign suppliers. According to USDA economists, goals set for 1985/86 can be reached, but only at considerable cost to Japanese society through the transfer of funds from other sectors of the economy to the agricultural sector. In 1976, Japan imported \$11 billion worth of agricultural products, \$4 billion of which came from American farms.

SAVING THE ELMS . . . Since it entered the United States in 1930, Dutch elm disease has claimed an estimated 56% of the country's elm trees. Originally confined to the East, the disease is now spreading to several midwestern and western States. To counter this development, USDA will set aside nearly \$2 million for demonstration areas in five States showing the application and results of effective Dutch elm disease control, and use of elm trees infected and killed by the disease. Although financed for only 1 year, the project—which is part of an overall program to control Dutch elm disease—may be continued for up to 5 years if it proves successful and funds are available. The demonstration areas represent a cooperative effort by USDA's Forest Service, Extension Service, the Cooperative Extension Services, and State agencies in Minnesota, Wisconsin, Georgia, Colorado, and California.

TALKING TURKEY . . . Turkey growers in the 20 major States intend to increase their flocks in 1978. The Crop Reporting Board says producers plan to raise 132.2 million turkeys, compared with the 1977's 130.3 million. The 1978 figure may vary depending upon feed prices, supply and price of hatching eggs and poults, and prices growers receive during the next few months. As of December 1, 1977, breeder hens in 27 States totaled just over 3 million, down 1% from a year earlier. Heavy breeds, at 2.9 million, were up 4%, while light breeds were down 44% to 167,000. Producers in *all* States raised 135.6 million turkeys in 1977, off 3% from 1976. Heavy breeds tallied 123.6 million, about the same as the year before, but light breeds dipped 26% to 12 million.

SAUDIS BOOST FARM OUTPUT . . . Though hardly an agricultural giant, Saudi Arabia can boast a steady rise in crop production so far this decade. Agricultural exports in 1977 were expected to reach \$25 million, 10 times the 1971 volume. Meantime, rising domestic production is helping moderate the rate of growth in agricultural imports. Subsidized by free seed and irrigation and half-price fertilizer, Saudi farmers have added such new export crops as tomatoes, onions, various winter vegetables, and watermelons, which have replaced dates

as the top export. Still, two-thirds of all farmland remains devoted to cereals. And while Saudi Arabia about equals the size of the U.S. east of the Mississippi River, farmland consists mainly of scattered oases with a combined acreage the size of Delaware.

EFFICIENCY PAYS . . . Farmers' fertilizer bills may not get any smaller, but more efficient manufacturing methods are helping stave off substantial increases. According to USDA economists, most plants now making nitrogen fertilizers have been built since 1963. Generally, the plants are larger and use smaller amounts of raw materials, such as natural gas, for each ton of fertilizer produced. For example, modern facilities with gas turbine engines burn around 37 kilowatt-hours of electricity to product a ton of fertilizer, versus an average of 500 kilowatt-hours in plants built before 1963. Economists warn, however, that despite such savings, farmers will probably not see prices drop much below 1971-73 levels because of sharply higher energy and capital costs.

HOG SHIPPERS TAKE NOTE . . . Effective March 23, all sows and boars over 6 months old that are shipped across State lines for slaughter must bear identifying tatoos or tags that will allow them to be traced to their herd of origin if brucellosis is found. USDA's Animal and Plant Health Inspection Service will also require all such animals shipped interstate for breeding to be tested for brucellosis prior to shipping unless they come from an area or herd validated free of the disease. Both requirements follow a change in other USDA provisions to reimburse farmers whose breeding swine must be slaughtered because of brucellosis. Currently, producers are allowed up to \$25 a head for purebred hogs and \$10 each for other breeding swine. A contagious disease that spreads with the shipment of infected livestock, brucellosis can also affect humans who come in contact with the animals.

SALES TO THE SOVIETS . . . The value of U.S. farm exports to the Soviet Union tumbled to just under \$1.1 billion during fiscal 1977, but will bounce back strongly in fiscal 1978. USDA economists blame the '77 drop—from a record \$1.85 billion the year before—on reduced Soviet corn purchases following a record 224-million-ton grain crop and on slightly lower unit values for corn and rice. While grain and soybeans continue to dominate U.S.-Soviet trade, the value of animal product exports more than tripled during fiscal 1977, and for the first time the Russians bought small amounts of American peanuts and upland cotton. Sharply improved grain sales will again set the pace in fiscal 1978, when the U.S. is expected to sell farm products worth \$1.6 billion to the Soviet Union.

Statistical Barometer

Item	1975	1976	1977—latest available data	
Farm Food Market Basket:¹				
Retail cost (1967=100)	174	175	181	November
Farm value (1967=100)	187	179	180	November
Farmer's share of retail cost (percent)	42	40	39	November
Agricultural Trade:				
Agricultural exports (\$bil.)	22	23	2.1	November
Agricultural imports (\$bil.)	10	11	.8	November
Farm Income:				
Volume of farm marketings (1967=100)	113	121	175	November
Cash receipts from farm marketings (\$bil.)	89.6	94.8	88.5	(²)
Realized gross farm income (\$bil.)	98.2	104.2	98.7	(²)
Production expenses (\$bil.)	75.5	80.9	82.5	(²)
Realized net farm income (\$bil.)	22.7	23.3	16.2	(²)
Income and Spending:				
Disposable personal income (\$bil.)	1,084.4	1,185.8	1,308.6	(³)
Expenditures for food (\$bil.)	184.8	199.5	218.3	(³)
Hogs and Pigs:				
Hogs and pigs on farms,				
December 1 (million)	49.3	54.9	57.6	December
Kept for breeding (million)	7.6	8.0	8.8	December
Market (million)	41.7	46.9	48.8	December
Sows farrowing, Sept.-Nov. (million)	2.4	2.9	3.1	December
Pig crop, Sept.-Nov. (million)	17.6	20.6	22.1	December
Pigs per litter, Sept.-Nov. (number)	7.2	7.1	7.2	December
U.S. Farms:				
Number (thousands)	2,767	2,738	2,706	December
Total land in farms (million acres)	1,081	1,078	1,075	December
Average size of farms (acres)	391	394	397	December

¹Average annual quantities per family and single person households bought by wage and clerical workers, 1960-61, based on Bureau of Labor Statistics figures.

²Annual rate, seasonally adjusted, third quarter.

³Annual.



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